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**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

IN RE HIGH-TECH EMPLOYEE
ANTITRUST LITIGATION

Case No.: C 11-CV-2509-LHK

THIS DOCUMENT RELATES TO:

ALL ACTIONS

**DECLARATION OF JAMES M.
KENNEDY SUBMITTED IN SUPPORT
OF DEFENDANTS' JOINT RESPONSE
TO PLAINTIFFS' ADMINISTRATIVE
MOTION TO FILE UNDER SEAL
FILED FEBRUARY 7, 2014**

DECLARATION OF JAMES M. KENNEDY

I, James M. Kennedy, declare as follows:

1. I am the Senior Vice President, Business Strategy and Chief Legal Counsel for Pixar, and I am an attorney licensed to practice law in the State of California. The matters set forth herein are true and correct of my own personal knowledge and information provided to me. If called as a witness, I could and would testify competently thereto.

DECLARATION OF JAMES M. KENNEDY SUBMITTED IN
SUPPORT OF DEFENDANTS' JOINT RESPONSE TO
PLAINTIFFS' ADMINISTRATIVE MOTION TO FILE
UNDER SEAL FILED FEBRUARY 7, 2014
Case No.: C 11-CV-2509-LHK

2. I submit this declaration pursuant to Civil Local Rule 79-5 and this Court's Standing Order with respect to documents that the parties request be maintained under seal. *See* Defendants' Joint Response to Plaintiffs' Administrative Motion to File Under Seal, to be filed on February 21, 2014. Pixar requests that certain information designated as confidential by Pixar and lodged under seal be sealed pursuant to Civil Local Rule 79-5. In particular, Pixar requests that the Court maintain under seal portions of certain expert reports filed as Exhibits 3 (Stiroh Report), 4 (Leamer 10-1-12 Report), 5 (Leamer 12-10-12 Reply Report), 6 (Leamer 5-10-13 Supplemental Report), 7 (Hallock 5-10-13 Report), 8 (Leamer 7-12-13 Report), 10 (Hallock 10-28-13 Report), and 23 (Becker Report) to the Declaration of Dean M. Harvey ("Harvey Declaration") (Dkt. No. 607); portions of Exhibits 172, 177, 178, 179, 180, and 184 to the Harvey Declaration; portions of deposition transcripts attached as Exhibits XX, YY, ZZ, AAA, BBB, and CCC to the Declaration of Lisa J Cisneros ("Cisneros Declaration") (Dkt. No. 605); and portions of Exhibits 129, 134, 420, 421, 424, 947, 1304, 1306, 1307, 1308, 1309, and 2356 to the Cisneros Declaration, all of which were filed in connection with Plaintiffs' opposition briefs.

3. I have reviewed the expert reports attached as exhibits to the Harvey Declaration. Compelling reasons exist to file under seal:

- Portions of Lines 2 and 4 of paragraph 77 of Exhibit 3 to the Harvey Declaration (Stiroh Report);
- Figures 3 and 4 of Exhibit 4 to the Harvey Declaration (Leamer 10-1-12 Report);
- Figures 1, 6, 7, 8, and 9 of Exhibit 5 to the Harvey Declaration (Leamer 12-10-12 Reply Report);
- Figure 19 of Exhibit 6 to the Harvey Declaration (Leamer 5-10-13 Supplemental Report);
- Portions of paragraphs 100, 107, and 223 of Exhibit 7 to the Harvey Declaration (Hallock 5-10-13 Report);

- The compensation information on page 10 of Exhibit 8 to the Harvey Declaration (Leamer 7-12-13 Rebuttal Supplemental Leamer Report);
- Portions of paragraphs 88, 95 and 216 of Exhibit 10 to the Harvey Declaration (Hallock 10-28-13 Report); and
- Portions of lines 4 and 6 of paragraph 92 and of lines 5 and 6 of footnote 95 of Exhibit 23 to the Harvey Declaration (Becker Report).

The information reflects highly confidential and competitively sensitive information regarding Pixar's compensation structure and strategies, benchmarking targets, cost structure, and specific salary levels for particular job titles. Disclosure would create substantial risk of serious competitive harm to Pixar because its competitors would gain detailed insight into Pixar's competitive and proprietary compensation practices and strategies, including specific salary levels for particular job titles. Pixar would be placed at a significant competitive disadvantage with respect to its compensation strategies and would therefore be prejudiced if the information were made available to the general public.

4. I have also reviewed the Pixar deposition transcripts attached as Exhibits XX, YY, ZZ, AAA, BBB, and CCC to the Cisneros Declaration. Compelling reasons exist to file under seal portions of those documents:

- Page 66 (lines 17 and 18-19) and page 67 (lines 2-3) of Exhibit XX (Batali);
- Page 101 (lines 19-21), page 134 (line 21), page 137 (line 9), page 140 (lines 14-15), page 142 (line 25), page 201 (lines 3-page 143 (line 1), page 160 (lines 21-22), 163 (lines 9-18), page 209 (line 2) through page 210 (line 16), page 211 (lines 20-22), page 214 (line 25), page 218 (lines 2, 21) of Exhibit YY (Catmull);
- Page 28 (lines 2-9), page 32 (lines 2-8), page 59 (line 8), page 135 (line 22), page 136 (line 1, 23, 25), page 137 (line 2, 6, 17, 19), page 140 (line 8), and page 150 (lines 4, 8, and 15) of Exhibit ZZ (McAdams);
- Page 134 (line 2) of Exhibit AAA (Morris);
- Page 129 (lines 17 and 18) of Exhibit BBB (Zissimos);

- Page 88 (lines 20-25), page 89 (lines 9-16), page 105 (lines 8-9), page 106 (line 11) through page 107 (line 20), page 124 (line 20) through page 126 (line 6), and page 187 (line 5) of Exhibit CCC (Sheehy).

Some of this information reflects highly confidential and competitively sensitive information about Pixar's cost structure and compensation levels, including information related to base salary determinations and specific salary increases and guidelines. Disclosure of that information would create a substantial risk of serious competitive harm to Pixar because its competitors would gain detailed insight into Pixar's competitive and proprietary compensation practices. Pixar would be placed at a significant competitive disadvantage with respect to its compensation strategies and would therefore be prejudiced if the information were made available to the general public. Other information in these exhibits reflects highly confidential information about individuals' compensation, hiring, candidacy, or employment and performance history. The exhibits also contain confidential personal identifying information. Disclosure could cause annoyance, embarrassment and/or substantial professional and personal harm to those individuals.

5. I have also reviewed Exhibits 172, 177, 178, 179, 180, and 184 to the Harvey Declaration and Exhibits 129, 134, 420, 421, 424, 947, 1304, 1306, 1307, and 1309 to the Cisneros Declaration. Compelling reasons exist to file under seal the redacted portions of these documents. Those portions reflect highly confidential and competitively sensitive information about Pixar's cost structure and compensation levels including information related to base salary determinations and specific salary increases and guidelines. Disclosure of that information would create a substantial risk of serious competitive harm to Pixar because its competitors would gain detailed insight into Pixar's competitive and proprietary compensation practices. Pixar would be placed at a significant competitive disadvantage with respect to its compensation strategies and would therefore be prejudiced if the information were made available to the general public. Other information in these exhibits reflects highly confidential information about individuals' compensation, hiring, candidacy, or employment and performance history.

1 The exhibits also contain confidential personal identifying information. Disclosure could cause
 2 annoyance, embarrassment and/or substantial professional and personal harm to those
 3 individuals.

4 6. Compelling reasons also exist to seal in its entirety Exhibit 1308. The exhibit,
 5 titled Salary Analysis, reflects highly confidential and competitively sensitive information about
 6 Pixar's cost structure and compensation practices and strategies. It also includes competitively
 7 sensitive information related to Pixar base salaries and turnover activity. Disclosure would
 8 create a substantial risk of serious competitive harm to Pixar because its competitors would gain
 9 extensive, detailed insight into Pixar's competitive and proprietary compensation and hiring
 10 practices and strategies. Competitors would also gain insight into Pixar's cost structure and
 11 related highly confidential information. Pixar would be placed at a significant disadvantage
 12 with respect to its hiring, compensation and employee retention strategies. Pixar would
 13 therefore be prejudiced if the information were made available to the general public.

14 7. Compelling reasons also exist to seal portions of Exhibit 2356 to the Cisneros
 15 Declaration. The redacted portions reflect highly confidential and competitively sensitive
 16 information about a collaboration between Intel and Pixar. Disclosure would create a
 17 substantial risk of serious competitive harm to Pixar because other companies would gain
 18 extensive, detailed insight into the collaboration's technical objectives and accomplishments.
 19 Pixar would be placed at a significant disadvantage in the future development of its tools'
 20 architecture and design and would therefore be prejudiced if the information were made
 21 available to the general public.

22 8. I declare under penalty of perjury under the laws of the State of California and
 23 the United States that the foregoing is true and correct.

Executed on February 21, 2014, in Emeryville, CA.



James M. Kennedy